



# STORIES FROM

BMZ Special Initiative  
“Decent Work for a  
Just Transition”



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION  
Progress by Innovation



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**Success Story**

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# Foreword

As we reflect on the journey of our project, initiated with the signing of the Memorandum of Understanding in December 2019, we find ourselves at a significant juncture as we approach the conclusion of this transformative endeavor on December 31, 2023. Over the past four years, the Ministry of Industry, in collaboration with the United Nations Industrial Development Organization (UNIDO), has been steadfast in implementing initiatives aimed at fostering industrial growth and rural development in four key regions: Oromia, Amhara, Sidama, and the South Region.

Guided by a commitment to inclusivity, our project has partnered with the respective region's Industrial Park Development Corporations (IAIP) and surrounding Rural Transformation Centers (RTC). In Oromia, we have worked closely with Bulbula IAIP and surrounding RTC; in Amhara, with Bure IAIP; in Sidama, with Yirgalem IAIP; and in the South Ethiopian Region, with Dilla and Yirga Cheffe IAIP. Regrettably, due to the conflict in Tigray, our efforts were unable to extend to that region.

Despite the challenges, our collaboration with local administrative bodies, such as Woreda Job Creation and Capacity Building Offices and Woreda Agriculture and Natural Resource Offices, has provided a robust foundation. While several activities have been supported by UNIDO in the IAIPs, our project has distinctively focused on two pivotal aspects: job creation and capacity building, and investment.

Throughout our journey, we've witnessed success stories that showcase the transformative impact of our initiatives. From engaging youths in greenery and gardening activities in Amhara to organizing cooperatives for tomato production in Oromia, and facilitating the production of avocado seedlings in Sidama, our project has endeavored to improve livelihoods and foster sustainable practices.

Achieving sustainability requires strengthening financial support, active involvement of local actors and stakeholders, and an understanding that job creation is a gradual process that demands time, skill training, and capacity building. Our commitment to capacity building extends beyond the project's direct beneficiaries to include local actors, such as Woreda<sup>1</sup> Agriculture offices and Job Creation offices. As we hand over the reins to government partners, it is imperative to ensure continued follow-up and expansion of these initiatives.

As we draw insights from our project's trajectory, we advocate for a consortium of stakeholders and local actors, emphasizing the need for increased engagement of businessmen and investors in the IAIPs. Furthermore, addressing the

challenges related to financial access and actively involving development partners will play a pivotal role in enhancing the effectiveness of cooperatives.

**Mulneh W/Kidan- Project Coordinator, Job Creation, UNIDO, BMZ Special Initiative “Decent Work for a Just Transition” Project.**

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<sup>1</sup> Woreda means districts of Ethiopia, are the third level of the administrative divisions of Ethiopia – after zones and the regional states.



## Elevating the Value Chain, Enhancing Market Linkage and Thereby Building Resilience in Rural Communities

In a collaborative effort supported by the **BMZ Special Initiative “Decent Work for a Just Transition,”** UNIDO has been a key player in driving transformative changes, notably in Oromia, Ethiopia.

The supply of operational tools and equipment to Small and Medium Enterprises (SMEs) in the region has had a far-reaching implications for various sectors, contributing to economic growth, job creation, and sustainable agricultural practices.



UNIDO’s support extends to Vegetable Pack House SMEs and groups engaged in chemical spray services under #Meki FCU. The distribution of Vegetable Pack House equipment is expected to enhance the efficiency of vegetable processing and packaging, minimize post-harvest losses, and encourage hygienic practices. Concurrently, the provision of chemical spraying equipment and tools to service groups contributes to effective pest and disease control, resulting in increased crop yields and improved food security.

UNIDO’s impactful intervention underscores the valuable support provided to Meki FCU and Primary Cooperative Unions. Beyond equipment provision, UNIDO’s training sessions, focusing on quality management, have generated additional job opportunities within the community. Importantly, **201 men** involved in chemical spraying and **90 women** working in vegetable pack houses have benefited from a range of capacity-building training programs and received crucial work equipment, marking a significant step in enhancing their professional skills.





The Meki Batu Union, comprising **8450 farmer** members across **153 primary** cooperative unions, has forged strong market connections with entities such as Ethiopian Airlines, Arsi, and Ambo Universities. The union's collaboration with Bulbula IAIP, including tomato production and processing, exemplifies the project's wider impact on market linkages and value chain activities.

Moreover, UNIDO's comprehensive approach includes the establishment of a modern poultry farm, named Poultry-Preneurship, in partnership with the Hitosa Union. This initiative not only offers material support, capacity-building training, and technical assistance to the poultry farm but also benefits an **additional 25 women linked to the union for poultry business, helping them tackle economic and climate change challenges.**

## Transforming Lives through Capacity Building and Collateralized Commodity Financing



# MEET

Mr. Tadese Raya

A respected model farmer in Sero Hankato, Hitossa District, Arsi Zone, Oromia, became the first beneficiary of BMZ Special Initiatives and Warehouse Financing in Ethiopia.

He **secured a loan of nearly 2 million ETB** from the Cooperative Bank of Oromia **by depositing 866 quintals of wheat at the Hetossa Union's warehouse.**

This journey of Mr. Tadese exemplifies the tangible benefits of Collateralized Commodity Financing (CCF).

"I have never counted this much money in my life," exclaimed Mr. Tadese, who utilized the earned profit to purchase a new Suzuki Dzire, a remarkable achievement unseen in his community.

Mr. Tadese underscores the broader benefits of the project beyond economic gains. These include capacity building, improved social standing as the first participant, the establishment of vital business relationships with banks for future credit opportunities, and enhanced business understanding and skills. His participation in meetings and workshops organized by key stakeholders like the IFC has further expanded his perspective on agribusiness.

Reflecting on the project's success, Mr. Tadese succinctly states,

*"The project not only transformed my livelihood but also elevated my social status and opened doors for future opportunities."*





## The Thriving Sidama Integrated Agro-industrial Parks and UNIDO's Transformative Impact



In the Sidama region, a tale of agricultural innovation and economic revitalization is unfolding, with the Integrated Agro-industrial Parks (IAIP) at its heart. The IAIP's mission is centered on rural transformation through the addition of value to agricultural inputs. This success story is interwoven with job creation, as the park directly employs hundreds and fosters opportunities for suppliers, SMEs, and cooperatives.

Since its inception, the park has catalyzed economic growth, giving rise to additional developments such as banks, restaurants, and cafes, thereby creating a positive ripple effect across the local economy. Industries such as

-  **Avocado,**
-  **Honey production**
-  **Coffee,**
-  **Poultry**
-  **Dairy farming**

are flourishing, instilling confidence in production. The IAIP's involvement in final production processes, including nationwide milk distribution and crude avocado oil exports, has reaped tangible benefits, fostering a more vibrant and diversified local economy.

These achievements are underpinned by key milestones, from the IAIP's role in job creation, economic growth stimulation, and robust market linkage establishment, to the pivotal support of UNIDO. UNIDO's support is anchored in two main components: raising awareness about value and supply chains, and capacity building. UNIDO's interventions have not only eliminated waste in avocado cultivation but have also introduced improved agricultural practices, leading to a significant reduction in avocado spoilage from 18% of total production to zero. The support extends beyond agriculture, empowering youth through training, providing modern hives for honey production, and initiating programs to diversify economic activities.

***“Before the establishment of the [IAIP], avocado picking was traditional, and the study conducted three years ago shows that 18% of avocados would be spoiled and perished. But the training delivered by the UNIDO saved this amount of avocado from perishing.”***

Hailu Yetera, CEO, Yirgalem IAIP, Sidama.

Under the auspices of BMZ, UNIDO has undertaken a multifaceted approach to empower the youth in the surrounding areas, aiming to enhance both the size and quality of avocado production destined for the park. The organization’s pivotal role includes comprehensive training sessions, diligent follow-ups, and the provision of essential materials and input support. Additionally, UNIDO has orchestrated the creation of a dedicated demonstration and workshop area within the park compound, serving as a platform to showcase the utilization of improved seeds and advanced techniques in avocado cultivation.

UNIDO’s intervention in **seven woredas and two towns** has identified potential producers, and funding facilitated the **registration and identification of 52,000 avocado producers, forming 86 cooperatives.** These cooperatives supply the industrial park directly, eliminating illegal intermediaries and brokers and allowing farmers to provide their produce directly. In a groundbreaking move for the Sidama region, UNIDO introduced contract farming for the first time in Ethiopia, with 47 out of 86 associations incorporating into the scheme. UNIDO further supported the task force in facilitating consortium meetings.

Given the favorable conditions for honey production in the Sidama region, UNIDO has strategically selected ten woredas for a pioneering honey production pilot program. The organization’s support extends to the provisioning of modern hives and protective equipment, aiming to optimize honey production practices and align them with contemporary

standards, thereby enhancing overall productivity and sustainability in the region.



Beyond agriculture, UNIDO has initiated a program diversifying economic activities, where organized youth engage in milk production and establish bread and bakery businesses in the surrounding areas. To facilitate this initiative, UNIDO imported baking machines along with their accessories, oversaw the installation of the machinery, and provided comprehensive training on its operation. This holistic approach underscores UNIDO’s commitment to fostering diverse economic opportunities and sustainable practices in the community.





## Unleashing Agricultural Potential through Integrated Agro Industrial Parks (IAIP) and UNIDO's Partnership



**A large portion of Ethiopia's population relies on agriculture for their livelihood, the impact of IAIP is multifaceted. It not only boosts job opportunities but also covers a broad spectrum within the value chain, creating employment for input suppliers, professionals, logistics providers, and haulers.**

The IAIP plays a significant role in advancing modern agricultural production, fostering market linkages, and enhancing the growth of the value chain. Given that a large portion of Ethiopia's population relies on agriculture for their livelihood, the impact of IAIP is multifaceted. It not only boosts job opportunities but also covers a broad spectrum within the value chain, creating employment for input suppliers, professionals, logistics providers, and haulers.

A key component of IAIP's operations is its comprehensive linkage system, which primarily targets farmers. This system is effectively managed through cooperatives and unions, which are pivotal in supplying agricultural inputs. They play a crucial role in collecting produce from farmers and delivering them to the appropriate entities. Small and Medium Enterprises (SMEs) also make a significant contribution by supplying essential inputs to support agricultural processes.

In this context, the UNIDO has been an essential partner in the park's development since its inception, providing invaluable technical support. UNIDO's involvement ranges from conducting assessments for the park's establishment to playing a significant role in the current program implementation. UNIDO actively contributes to job creation and the enhancement of production quality. During the initial implementation phase, eight enterprises were established and integrated into the IAIP system, receiving inputs and machinery from UNIDO. Five of these enterprises have expanded their activities and become input providers.

In addition to these developments, other enterprises in the catchment areas specialize in bakery and seedling production. They distribute seedlings at affordable prices to farmers, with a particular focus on avocado seedling cultivation. Notably, investors have been invited to participate in the production of crude avocado oil, using inputs supplied by farmers. As a result, UNIDO plays a crucial role in establishing and strengthening linkages between producers and suppliers/ farmers, contributing significantly to the overall success and sustainability of the IAIP.

During the initial implementation phase,

**[Eight]**

enterprises were established and integrated into the IAIP system, receiving inputs and machinery from UNIDO.

**[Five]**

of these enterprises have expanded their activities and become input providers.



## Creating Production Confidence



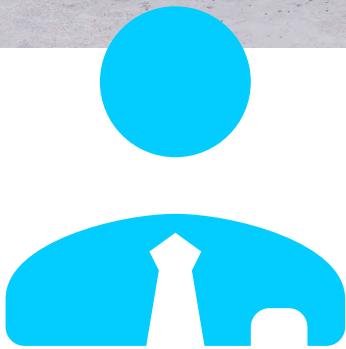
UNIDO's support in the preliminary trial stage of the industrial park over the past nine years has been instrumental in attracting investors and instilling confidence in production expansion. The industrial park, initially focused on avocado crude oil production, has now broadened its scope, with companies like **Seize Agro Industries planning to engage in roasting coffee, packaging, exporting, and producing animal feed from avocado wastes.**

This diversification showcases the multiple opportunities available within the industrial park.

With a sufficient supply of avocados in the area, as confirmed by the local agriculture and natural resource office, the industrial park's main input for oil production is readily available. The market linkage extends to six Woredas in the Dilla area, establishing a robust connection with the community. The Seize Agro Industry has demonstrated its commitment to creating job opportunities, having hired 16 skilled professionals during the preliminary stage. As operations expand, there are plans to hire additional labor on a shift basis, further contributing to youth employment in the area.

UNIDO's support has not only facilitated the initial stages but has also paved the way for diversified production and increased job opportunities, fostering confidence and growth within the industrial park.





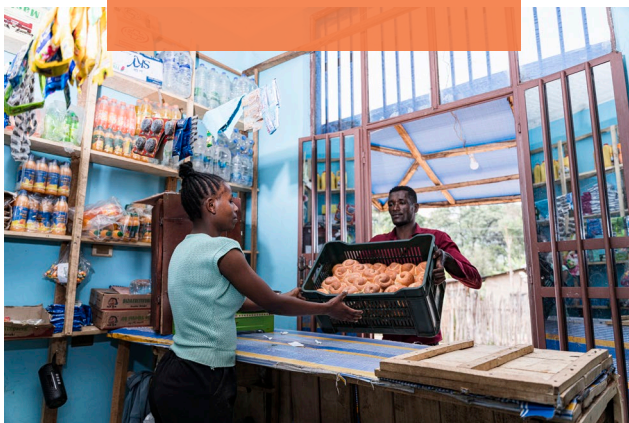
*UNIDO, our steadfast ally, has offered extensive support ranging from empowering unemployed youth through targeted training to nurturing the growth of avocado and coffee seedlings, and providing our youth enterprises with water pumps. The profound impact of UNIDO's well aligned with our operations, as the skilled and empowered youth they've nurtured seamlessly integrate into our workforce.*

Temesgen Kebede, Dilla RTC Manager.

## Empowered Rise: A Journey from Unemployment to Flourishing Success



**Eldana Enterprise, established in October 2020 with an initial membership of five individuals, witnessed significant growth. Overcoming challenges ranging from intermittent disruption of power supply to water scarcity, the enterprise now collaborates with flour factories, retailers, hotels, and shops to distribute its products.**



Despite grappling with electricity issues, Eldana Enterprise has steadily increased its daily production from 50kg to an impressive 5 to 6 quintals, equating to 8000 to 10000 bread units daily. Seeking to expand further into Enjera<sup>2</sup> and cake production, the enterprise acknowledges the pivotal role of UNIDO's unparalleled support. Through collaboration with the government, UNIDO provided baking materials, including machinery, cutters, and bread-carrying boxes, catalyzing the enterprise's growth.

***“From modest beginnings of producing 50kg four months ago, we've blossomed into a powerhouse, baking 5 to 6 quintals per day—8,000 to 10,000 loaves distributed across town and neighboring households. Our success, however, is not a solitary feat; it's with the support of the UNIDO.”***

Amanuel Birhanu, Chairperson, Eldana Baking Enterprise, Yirga Cheffe, Dilla.

Emphasizing the transformative impact of UNIDO's support, the enterprise, once unemployed in 2013, now boasts eight members, each with their own businesses. Employing four workers, including professionals and laborers, the enterprise has not only improved the livelihoods of its members but also contributed to the local economy by supporting families and enabling the purchase of assets such as sheep and chickens. Despite their own success, they advocate for more opportunities for unemployed youth, emphasizing the potential for organizations and the government to facilitate additional job opportunities.





# Unlocking Local Potential

Capitalizing on Honey Production Capacities

## Unlocking Local Potential: Capitalizing on Honey Production Capacities

Tesfaye and Friends Honey Production Micro Enterprise, initially formed with ten members (four men and six women), witnessed its inception as a locally-organized initiative aimed at fostering economic empowerment. Under government guidance, the members collectively saved 900 birr, which burgeoned to an impressive 9000 birr. The enterprise has since flourished, expanding its membership to fourteen.

Facing unemployment initially, the group embraced the government's invitation to venture into honey production, responding to the surging demand for honey by establishing a shop and engaging with UNIDO and the government. However, the enterprise confronted challenges, including a skill gap and diverse individual needs among the ten initial members. With UNIDO's support, they overcame these obstacles, fostering cohesion and confidence among the group.

*"Previously, we faced a significant skills gap, lacking both knowledge and confidence. As a group of ten*

*individuals with diverse needs and interests, the capacity-building initiatives led by UNIDO played a crucial role in overcoming these challenges."* Tesfaye Teferra, Chairperson, Tesfaye and Friends Honey Production Micro-enterprise, Gedeo Zone.

The intricacies of honey production presented challenges such as avoiding bee stings during the day and confronting nocturnal honeybee predators, particularly challenging for lactating mothers among the members. Overcoming these hurdles required mutual support and the implementation of mechanisms to address

absenteeism and tardiness.

UNIDO played a pivotal role in the enterprise's success by providing training on teamwork and business skills over a three-day program. UNIDO's support extended beyond training to the provision of ten hives, protective equipment, honey filters, gloves, and Beewax processing machine. The collective efforts of the members emerged as a driving force, setting them apart from enterprises that faced failure. Despite starting with a modest capital of **9000 birr**, their assets, including property and capital, have grown to an impressive 200,000 birr, with a bank deposit of **27,000 birr**.





SOME  
**SUCCESS STORIES**  
FROM THE INITIATIVE

***Dera Poultry Farm***

***Wings of Change: UNIDO's Partnership Propels Poultry Producers to Self-reliance***

Hayu Abdu, a former student turned entrepreneur, has experienced a remarkable transformation following UNIDO's intervention. Previously without employment, Hayu found herself relying solely on her husband's income to sustain their family. However, with UNIDO's intervention, she became a member of a newly organized micro-enterprise dedicated to poultry production.

Through UNIDO's comprehensive training programs and material supports aforementioned, Hayu and her team gained invaluable knowledge and skills in poultry production. Armed with this newfound expertise, they embarked on their venture with determination and enthusiasm. Hayu's income-generating activities expanded beyond reliance on her husband's earnings as she began selling eggs and chickens to support her family, and saving from her poultry production earnings, demonstrating financial independence and stability.

Despite facing challenges such as fluctuating egg prices, Hayu and her partners remained resilient and determined to succeed. Through selling their products to retailers and traders, the enterprise ensured a steady income stream for their families. With aspirations to expand their production scale, Hayu and her partners' vision for the future is ambitious, aiming to increase their flock from 150 to 500 chickens.

The continuous support and encouragement from UNIDO have been instrumental in Hayu's and her team's success story. From providing essential materials and inputs to building confidence through capacity-building initiatives, UNIDO has empowered Hayu and her team to overcome obstacles and thrive in the competitive poultry industry.

As Hayu looks towards the future, her determination and passion for poultry production remain unwavering. With UNIDO's ongoing support and her newfound skills, she is well-equipped to achieve her goals and create a brighter future for herself and her family



## From Traditional Production, Venturing into Modern Dairy

Metsnanat, a dairy enterprise with humble beginnings, has blossomed into a thriving and innovative business ignited by personal aspiration and supported by the government and the UNIDO. Led by a determined team, Metsnanat Dairy Farm embarked on a journey of transformation, transitioning from traditional dairy farming methods to modern and efficient practices.

With the guidance and capacity-building initiatives facilitated by UNIDO, Metsnanat Dairy Farm embraced change and adopted new breeds of cows, enhancing milk production and quality. This shift enabled them to not only supply milk to the market but also expand their product range to include cheese, butter, creams, and more. The growth of their dairy farm extended to fattening, reflecting their commitment to diversification and sustainability.

The dedication of the Metsnanat Dairy Farm is evident in their round-the-clock efforts to ensure the well-being of their cows and the quality of their products. From tending to the cows' health and cleanliness to meticulously managing the milking process and distribution, every aspect of their operation is executed with care.

Despite facing challenges such as fluctuating market demand during religious fasting periods and logistical hurdles like waste disposal and sourcing fodder, Metsnanat Dairy Farm remains resilient and resourceful. Through strategic planning and collaboration with veterinary professionals, they navigate obstacles with determination and adaptability.

UNIDO's pivotal role in Metsnanat's success cannot be overstated. From providing essential equipment like milking and processing machines to offering training in financial literacy, customer relations, and dairy management, UNIDO has been a cornerstone of support. Additionally, facilitating knowledge exchange with fellow dairy farmers has enriched Metsnanat Dairy's expertise and fostered a sense of community within the industry.



Looking to the future, Metsnanat Dairy Farm is poised for even greater achievements. With aspirations to expand beyond the local market and establish themselves as global players in the dairy industry, they are driven by a commitment to job creation and economic empowerment for their community's youth.

In reflection, Metsnanat Dairy Farm expresses heartfelt gratitude to UNIDO for their instrumental role in their journey of growth. With UNIDO's support, Metsnanat Dairy Farm has not only transformed their business but also uplifted their entire community, embodying the power of partnership and perseverance in pursuit of a brighter future.





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